

Why GPOs Benefit the Entire Professional Cleaning Industry

Charlotte, NC - While relatively new to the professional cleaning industry, group purchasing organizations, commonly known as GPOs, have been around for more than a century serving different industries.

Unlike a buying group, a GPO does not actually purchase products. Instead, it acts as an agent, negotiating special pricing on a variety of products and equipment on behalf of its members.

While larger building service contractor members can enjoy substantial savings, GPOs can also benefit the entire professional cleaning industry, according to Terry Sambrowski, executive director of the National Service Alliance, a GPO serving the janitor industry.

Sambrowski lists the following examples:

* **Manufacturers listen:** Manufacturers of cleaning equipment listen to the needs of GPO members. "Listening to their needs has allowed [janitor] manufacturers to develop new equipment and technologies that have benefited all cleaning contractors."

* **Promotes competitiveness:** Keeping up with these new technologies and equipment encourages all janitor manufacturers to invest more time and research into new products and equipment for the industry.

* **Encourages large volume sales:** When a manufacturer is assured larger volume sales for its products from GPO members, it can lower the costs of these products for everyone, which translates into cost savings for the entire industry.

* **Compliance issues:** Helps BSCs and distributors stay up to date with OSHA compliance regulations.

* **Distributor benefits:** "The cost savings of products is between the GPO and the manufacturer. It does not affect the distributor's profits but invariably results in more sales and profits for the distributor."

Another benefit of GPOs for the entire industry is beta testing.

"Many times [janitor] manufacturers have GPO members 'test drive' new machines before putting them on the market," says Sambrowski. "This beta testing works out the bugs so that by the time the machine is introduced to the industry, any issues with the equipment have been addressed."